



RECORDATION NO. *8493-A* Filed & Recorded
OCT 15 1976 *3:50* PM
INTERSTATE COMMERCE COMMISSION

October 13, 1976

Hon. Robert L. Oswald
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. *8493-B* Filed & Recorded
OCT 15 1976 *3:50* PM
INTERSTATE COMMERCE COMMISSION

RE: Conditional Sale Agreement made as of September 22, 1976, filed with the ICC on September 27, 1976, at 11:50 a.m., and assigned recordation number 8493.

Dear Sir:

Enclosed for filing with and recording by the Interstate Commerce Commission are nine (9) executed counterparts of a First Amendment and Supplement to the above referenced Conditional Sale Agreement dated as of September 22, 1976, between SSI Rail Corp., Two Embarcadero Center, San Francisco, California, 94111, Buyer, and FMC Corporation, 200 E. Randolph Drive, Chicago, Illinois, 60601, Seller, covering the following railroad equipment:

100 50'6", 70-ton capacity general service, single-sheath boxcars built by FMC Corporation, numbered MDW 9000 through 9099 inclusive.

Identifying marks on all of the foregoing equipment: The words, "Ownership subject to a security agreement filed under the Interstate Commerce Act, Section 20c," printed on each side of each unit.

Also enclosed are nine (9) executed counterparts of an Agreement and Assignment assigning Seller's interest to The Bank of California, 400 California Street, San Francisco, California, 94104. The Conditional Sale Agreement, as amended, is guaranteed by ITEL Corporation, One Embarcadero Center, San Francisco, California, 94111, the parent company of SSI Rail Corp.

.../2

David M. Schwartz
William D. Woodward
Charles J. [illegible]



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David M. Schwartz
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Hon. Robert L. Oswald
October 13, 1976
Page 2.

Also enclosed is this Company's check in the sum of \$20,00 payable to the Interstate Commerce Commission being the prescribed fee for filing and recording the foregoing document.

Please return all copies of the enclosed counterparts with recordation data stamped thereon to the representative of the office of Sullivan and Worcester, Attorneys at Law, Washington, D. C., who will be delivering this letter on our behalf.

Very truly yours,



Martin D. Goodman
Secretary

MDG:md
Enc.

Interstate Commerce Commission
Washington, D.C. 20423

10/15/76

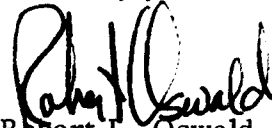
OFFICE OF THE SECRETARY

SSI RailCorp
Martin D. Goodman, Sec.
Two Embarcadero Center
San Francisco, Calif. 94111

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 10/15/76 at 3:56pm , and assigned recordation number(s) 8493-A, 8493-B

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

6-4521036

FIRST AMENDMENT AND SUPPLEMENT TO CONDITIONAL SALE
AGREEMENT made as of October 15, 1976.

Date **OCT 15 1976**
Fee \$ 20

W I T N E S S E T H:

WHEREAS, FMC Corporation, a Delaware corporation ("Builder") and SSI Rail Corp., a Delaware corporation ("Railroad,"), heretofore entered into a conditional sale agreement made as of September 22, 1976, filed and recorded with the Interstate Commerce Commission and assigned Recordation No. 8493 (hereinafter called "the Conditional Sale Agreement,"), providing for the construction, sale and delivery by Builder and the purchase by Railroad of one hundred (100) 50' 6" 70-ton capacity, general purpose, single sheath boxcars numbered MDW 9000 through MDW 9099 inclusive ("the Equipment");

WHEREAS, The Bank of California, N.A., ("Assignee") has agreed to accept an assignment of the Conditional Sale Agreement as hereinafter amended and supplemented and to pay Builder the consideration for such assignment on the condition that the Conditional Sale Agreement be so amended and supplemented; and

WHEREAS, as an inducement to Assignee to accept the assignment of the Conditional Sale Agreement and to pay Builder the consideration for such assignment, Builder and Railroad have agreed to amend and supplement the Conditional Sale Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth, Builder and Railroad hereby agree as follows:

(1) Section 3 of the Conditional Sale Agreement entitled Purchase Price and Payment, is hereby deleted in its entirety and the following added in lieu thereof:

"3. Purchase Price and Payment. The total purchase price for the Equipment shall be \$3,328,816.00. Railroad hereby acknowledges itself to be indebted to Builder in the amount of the total purchase price for the Equipment and hereby promises to pay said amount and interest thereon in cash to Builder at such place as Builder may designate as follows:

(a) \$665,763.20 prior to or upon the execution hereof; and

(b) \$2,663,052.80 ("the Conditional Sale Indebtedness") together with interest thereon

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INTERSTATE COMMERCE COMMISSION

or on so much thereof as from time to time remains unpaid at the rate per annum of 120% of the Assignee's Prime Rate, such interest rate to change on the day the said Prime Rate changes, all due and payable December 1, 1976.

"All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. All payments made pursuant to (b) above shall be applied first to accrued interest at the rate herein specified and the balance to the Conditional Sale Indebtedness. Railroad has the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due. Railroad agrees at any time upon request by Builder or its assignee to execute a promissory note evidencing the then unpaid balance of the Conditional Sale Indebtedness and the interest thereon and the payments to be made thereunder as herein set forth."

(2) Section 4 of the Conditional Sale Agreement, entitled Taxes, is hereby supplemented by adding at the end thereof the following:

"Railroad will also pay promptly all such taxes, fees, assessments, charges fines or penalties which may be imposed upon the Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon Builder solely by reason of its ownership thereof. If any such taxes, fees assessments, charges, fines or penalties shall have been charged or levied against Builder directly and paid by Builder, Railroad shall reimburse Builder upon the presentation of an invoice therefor and any amounts so paid by Builder shall be secured by and under this Agreement."

(3) Section 8 of the Conditional Sale Agreement, entitled Indemnities, is hereby deleted in its entirety and the following added in lieu thereof:

"8. Indemnities. Railroad shall indemnify, protect and hold harmless Builder from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement, the retention by Builder of title to or a security interest in the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection,

storage or return of any unit of the Equipment, any accident in connection with the operation, use, condition, possession, storage or return of any unit of the Equipment resulting in damage to property or injury or death to any person during the period when title thereto remains subject to this Agreement or the transfer of title to the Equipment by Builder pursuant to any of the provisions of this Agreement, except, however, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any tort, breach of warranty or failure to perform any covenant hereunder by Builder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the Conditional Sale Indebtedness and the conveyance of title to the Equipment, or the termination of this Agreement in any manner whatsoever. Railroad will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment."

(4) Section 10 of the Conditional Sale Agreement, entitled Assignments, is hereby further amended and supplemented by deleting from the second paragraph thereof the following:

"shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Builder."

and adding in lieu thereof the following:

"as well as any other rights under the Conditional Sale Agreement which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever, or exception of Builder from any indemnity made by Railroad, arising out of any breach of any obligation of Builder, including any obligation of Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Railroad by Builder or by reason of any act or omission on the part of Builder. Any such obligation, howsoever arising, shall be and remain enforceable by Railroad against and only against Builder."

(5) Section 11 of the Conditional Sale Agreement, entitled Remedies, is hereby deleted in its entirety and the following added in lieu thereof:

"11. Defaults and Remedies. Any one or more of the following events shall constitute an event of default under this Agreement:

(a) Failure to pay in full any instalment of the Conditional Sale Indebtedness and the interest thereon or any other sum payable by Railroad hereunder as provided in this Agreement within five (5) days after the payment thereof shall be due hereunder; or

(b) Failure to observe and perform any other covenant or agreement to be observed or performed by Railroad hereunder which failure continues for thirty (30) days after written notice of such failure is given to Railroad by Builder;

(c) Institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, against Railroad or ITEL Corporation ("ITEL"), and if instituted against Railroad or ITEL, are consented to or are not dismissed within sixty (60) days after such institution;

(d) A trustee or receiver is appointed for Railroad or ITEL for the substantial part of its respective property and not discharged within sixty (60) days after such appointment;

(e) Railroad or ITEL becomes insolvent or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies or consents to the appointment of a trustee or receiver for it or a major part of its respective property; or

(f) ITEL makes default in its obligations under its take out commitment dated October 15, 1976.

Railroad shall promptly notify Builder of any event which has come to its attention which constitutes or with the giving of notice or the lapse of time or both would constitute an event of default under this Agreement.

"At any time during which an event of default has occurred and is continuing, Builder may, at its option, exercise any one or more of the following rights and remedies:

(a) Declare the entire unpaid Conditional Sale Indebtedness together with interest thereon to be immediately due and payable without further demand and cause any lease of the Equipment then in effect to be immediately terminated, and upon such declaration, Builder shall be entitled to recover judgment for the entire unpaid balance of the Conditional Sale Indebtedness with interest thereon and expenses in connection therewith (including attorney's fees), and to collect such judgment out of any assets of Railroad wherever situated;

(b) Take immediate possession of the Equipment or any one or more units thereof without liability to return to Railroad any sums theretofore paid and free from all claims whatsoever, and may remove the same from possession and use of Railroad or any other person, and for such purpose may enter upon the premises of Railroad or other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage or other facilities of Railroad. If Builder shall designate a reasonable point or points for the delivery of the Equipment to Builder, Railroad shall at its own expense and risk, forthwith in the usual manner cause the Equipment to be moved to and assembled at such location and shall there deliver the Equipment to Builder; and upon request by Builder, Railroad shall furnish for a period not to exceed 150 days, without facilities at any point or points reasonably selected by Builder to store the Equipment until it has been disposed of by Builder. The agreements set forth in this subparagraph (b) are of the essence of this Agreement, and upon application to any court having equity jurisdiction, Builder shall be entitled to a decree of specific performance of such provisions. Railroad hereby expressly waives any and all claims against Builder for damages of whatsoever nature in connection with any retaking of any unit of the Equipment in a reasonable manner;

(c) Builder may elect to retain the Equipment in satisfaction of the unpaid Conditional Sale Indebtedness and interest thereon and dispose of the Equipment as Builder shall deem best. Builder shall give Railroad written notice of its election to retain the Equipment at least thirty (30) days prior to any disposal of the Equipment

by Builder;

(d) Builder may at its election and upon reasonable notice to Railroad, with or without retaking possession of the Equipment, sell the Equipment or any one or more units thereof in one lot or in separate lots without the necessity of gathering at the place of sale the property to be sold free from any and all claims of Railroad at public or private sale, provided that if Railroad shall tender full payment of the total unpaid Conditional Sale Indebtedness together with interest thereon and expenses incurred by Builder in arranging for such sale (including reasonable attorneys' fees) the possession of and title to the Equipment shall pass to Railroad. Builder may purchase at any such sale or sales. The proceeds of any such sale or other disposition, less the attorneys' fees and any other expenses incurred by Builder in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to Builder under the provisions of this Agreement;

(e) Builder shall have and may exercise any of the rights and remedies of a secured party under the Uniform Commercial Code of California (regardless of whether such code or law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted);

(f) Builder may exercise such one or more other rights it may have at law or in equity or otherwise to enforce its rights hereunder.

"Railroad will pay all reasonable expenses, including attorneys' fees, incurred by Builder in enforcing its remedies under this Agreement.

"If after applying all sums of money realized by Builder under the remedies herein provided, there shall remain any amount due it under the provisions of this Agreement, Railroad shall pay the amount of such deficiency, Builder may bring suit therefore and shall be entitled to recover a judgment therefore against Railroad. If after applying the aforesaid all sums realized by Builder, there shall remain a surplus in the possession of Builder, such surplus shall be paid to Railroad or to such person as may be entitled thereto.

"Each and every power and remedy hereby specifically given to Builder shall be in addition to every other

each unit of the Equipment in like proportion as the original purchase price of such unit bears to the aggregate original purchase price of the Equipment. Any money paid to Builder pursuant to this paragraph shall be applied to prepay without penalty of premium, ratably in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness. Any condemnation payments or insurance proceeds received by Builder in respect of a unit suffering a Casualty Occurrence shall be deducted from the amount payable by Railroad to Builder in respect of such Casualty Occurrence. Upon the Payment by Railroad to Builder of the sum required to be paid pursuant to this paragraph with respect to a unit of the Equipment suffering a casualty Occurrence, title to such unit and the absolute right to possession thereof shall pass to Railroad without further action on the part of Builder."

(9) The Conditional Sale Agreement is hereby supplemented by adding as section 19 thereof the following:

"19. Reports and Inspections. Railroad shall promptly furnish to Builder such information as Builder may reasonably request with respect to (a) the Equipment and (b) Railroad's financial condition.

(10) The Conditional Sale Agreement is hereby supplemented by adding as section 20 thereof the following:

"20. Prohibition Against Liens. Railroad will pay or discharge all sums claimed by any party from, through or under Railroad which if unpaid might become a lien, charge or security interest on or with respect to the Equipment or any unit thereof equal or superior to Builder's security interest therein, provided that Railroad shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings and the non-payment does not adversely effect the security interest of Railroad in or to the Equipment."

(11) The Conditional Sale Agreement is hereby supplemented by adding as section 21 thereof the following:

"21. Possession and Use. Railroad, so long as an event of default shall not have occurred and be continuing hereunder, shall be entitled to the use and possession of the Equipment, but only upon and subject to all the terms and conditions of this Agreement. Railroad shall not permit any unit of the Equipment to be used in any service involving the regular operation and maintenance thereof outside the continental United States.

STATE OF OREGON)
)
COUNTY OF MULTNOMAH

On this 14th day October, 1976 before me personally appeared William R. Galbraith, to me personally known, who, being by me duly sworn, says that he is Division Vice President - Sales, of FMC Corporation, that one of the seals affixed to the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sada Parshis
Notary Public

(NOTARIAL SEAL)

My Commission Expires 11/4/77

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO)

On this 13th day of October, 1976, before me personally appeared Patrick B. McManus, to me personally known, who being by me duly sworn, says that he is Vice President of SSI Rail Corp., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Terry L. Russell
My Commission Expires May 10, 1980

(NOTARIAL SEAL)



(12) The Conditional Sale Agreement is hereby supplemented by adding as section 22 thereof the following:

"22. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed as follows:

(a) To Builder at:

4760 Northwest Front Avenue
Box 3616
Portland, Oregon 97208

(b) To Railroad at:

Two Embarcadero Center
San Francisco, California 94111
ATTN: President

(c) To Assignee at:

400 California Street
San Francisco, California 94104
Attn: Fred Nelson, Vice President

or to such other address as may have been furnished in writing by such party to the other parties hereto."

(13) The Conditional Sale Agreement as hereby amended and supplemented is hereby ratified and confirmed.

(14) This instrument may be executed in any number of counterparts all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed or caused this instrument to be executed under the respective seals of the undersigned all as of the date first above written.

FMC CORPORATION

By: William L. Lulworth

ATTEST:

K. K. Knutson
Assistant Secretary

SSI RAIL CORP

By: Paul B. M. M.

Its: Vice President

ATTEST: [Signature]